

**GOVERNOR'S COMMISSION
ON
MINORITY AND WOMEN'S BUSINESS ENTERPRISES**

**JUNE 13, 2005
MINUTES**

The Governor's Commission on Minority and Women's Business Enterprises met on June 13, 2005 at 1:30pm, in the Indiana Government Center South, Conference Center Room A, in Indianapolis, IN.

ROLL CALL

Commission members present:

Ron Alting, Indiana State Senator
Gary Gibson, Gibson & Associates, LLC
Earl A. Goode, Commissioner, Indiana Department of Administration
William Harmon, Harmon Construction
Nell Hill, Caesars Indiana
Tony Kirkland, Executive Assistant Governor Mitchell E. Daniels
Rae Pearson, Alpha Rae Personnel
Stephanie Reeves, Pat Miller's Designee, Secretary of Commerce
Thomas Sharp, INDOT, Director of Economic Opportunity
Priya Wharton, Tri-Star Engineering

Commission members absent:

Billie Breaux, Indiana State Senator
Cleo Duncan, Indiana State Representative
Angela Faulkner, Target Strategies
Charles Garcia, G. M. Construction Company
Gregory Porter, Indiana State Representative
Sylvia Trotter, Trotter Construction Company
Raymond Wellons (Inactive)

CALL TO ORDER

The meeting was called to order by Chairman, Tony Kirkland.

COMMISSIONER'S REPORT

Commissioner Goode made comments about past disagreement in these meetings talking about goals and the disparity study. Commissioner Goode stated that the State will begin the process this week to obtain a third party disparity study. The interim participation goal numbers, approved at last meeting, are 2 to 4 times higher than the current targets. Deputy Commissioner will share the things the Division is doing relative to improving participation. Let's get past the disparity study tension and go forward. Let us focus on what we can do as a group to improve the participation of minority and women owned businesses.

MINUTES

The Minutes from the May 16, 2005 Commission meeting were e-mailed to Commissioners prior to the meeting. **Commissioner Pearson moved and Commissioner Alting seconded that the previous minutes be approved. Motion carried unanimously.**

DEPUTY COMMISSIONER'S REPORT

Claudia Cummings, Deputy Commissioner for Minority and Women Business Enterprises Division (MWBED), thanked Commissioner Wharton for suggesting that the Division work with the Small Business Administration (SBA) to reduce redundancy for clients seeking MBE or WBE certification who are already SDB or 8a certified. Division staff has met with the SBA to begin this work and anticipates that a successful streamlining will soon be accomplished.

The Division is busy planning the July 12, Buy Indiana Road Show matchmaking event. The event will pair M/WBE clients with large state agencies, prime contractors, casinos and Indiana's seven state supported universities and colleges. Governor Daniels has asked to participate in a Fall event, which will take place outside of Central Indiana. Additionally, on June 20, the Division is holding a significant M/WBE outreach event with the Mayor of Evansville.

The Gaming Commission has contacted the Division regarding improvements to their M/WBE compliance program. Over the next few months the Division's compliance team will work to establish more consistent compliance processes.

The Division has been distributing client satisfaction surveys to clients undergoing the certification process (handout given). These surveys are returned confidentially. The results are outstanding. The Division staff received a score of 9.8 for professionalism. The lowest score was for our website which is 7.4 on a scale of 1-10. Next, the Division plans to survey the clients receiving contracting and compliance support.

The Division is continuing to work with the Indiana Business Diversity Council to implement Executive Order 5-11. The Division expects that the rule making process will be completed by mid-October, clearing the way for final implementation.

The Division's executive team has identified opportunities to better enable the Division to meet the charge of increasing economic viability and monitoring compliance. The team uncovered three initial areas of concern for improvement: procurement methodologies, data collection and communications.

Commissioner Goode added that by this summer, we hopefully will be able to capture what the committed minority and women owned participation is for that particular contract during the contract approval process. This will eliminate the need to go back and check months later. The duty of the Division will be to conduct the appropriate audits.

LARGE CONTRACT REPORT

Rob Wynkoop, Deputy Commissioner, Procurement and Finance presented the new Buy Indiana guidelines, Executive Order 05-05. Mr. Wynkoop discussed the 5 ways to qualify as an Indiana company. This new policy takes effect July 1, 2005.

Commissioner Goode added that IDOA has changed the way an RFP is scored according to guidelines set forth in Executive Order 05-05.

Mr. Wynkoop covered a couple of large contracts that were just signed:

- Aramark for \$28 million a year for 4 years
 - Stanz Foodservice (WBE) received 7.5% and Mil-Ray (MBE) received 3.5% of that contract
- JWF Specialty for \$1.6 million a year for 4 years
 - Advanced Physical Therapy (WBE), Professional Data Dimensions (MBE), Pillow Express Delivery (MBE) and Briljent, LLC (WBE). Total M/WBE participation is 5% for WBE and 4.9% for MBE.

Commissioner Wharton asked if there were any set percentages for small business set asides. Commissioner Goode stated that he believes there is a statute. Mr. Wynkoop will find the answer and report to Deputy Commissioner Cummings.

COMPLIANCE PROCEDURES

MWBED, Deputy Director, Michelle Thompson gave a presentation on Vendor Education and Contract Compliance. She covered the following topics:

- Education of Primes and Sub-Contractors
- MWBE Participation Verification
- Requirements
- Penalties for Non-Compliance
- Contract Compliance Monitoring
- Random Audits
- Reporting Letters
- Sanctions for Non-Responsiveness
- False and Misleading Information
- Request for Hearings
- Future Compliance Efforts

Commissioner Wharton asked if primes were rewarded if they exceed the percentage goals and offered her guidance and assistance to set up a program to encourage the primes to exceed the goal percentages.

Commissioner Gibson stated he thinks we have a really good compliance program. Commissioner Gibson asked, "Do you have a targeted number of contracts to audit?" Ms. Thompson responded 100 audits per month. Commissioner Gibson asked, "Are you auditing both small and large contracts?" Ms. Thompson responded, yes. Commissioner Gibson asked, "Are you auditing construction, procurement and supply contracts?" Ms. Thompson responded, yes. Deputy Commissioner Cummings stated that the Division is auditing primarily procurement contracts, and clarified that the number of 100 audits per month was set prior to realizing that there are data collection issues that must be resolved first. Commissioner Gibson stated that the majority of the compliance issues might be within the construction contracts.

Commissioner Pearson asked if we were notifying contractors annually that the State is an Equal Opportunity Employer, Drug Free workplace, etc. Ms. Thompson responded that we would take the suggestion under advisement.

PROPOSED RULE 5-25

Deputy Commissioner Cummings discussed Proposed Rule 5-25 and outlined the proposed changes.

- 1) Allows the Division to accept application materials from outside organizations approved by the Division.
- 2) Allows automatic acceptance of certification from outside organizations approved by the Division.
- 3) Opens the program for legitimate business owner opportunities.
- 4) Allows owners to have more than one business endeavor.
- 5) Remove the 'must be in business 2 years requirement, because we are trying to help build business.
- 6) Allow the Division to make changes/corrections to certifications.
- 7) Allow certified M/WBEs the opportunity to bid on contracts under \$75,000 and count themselves toward the participation goals.

Regarding ownership by entrepreneurs engaged in more than one endeavor, Deputy Commissioner Cummings clarified that these changes only affect M/WBEs, not DBEs. Commissioner Wharton expressed concern saying, 'Primes won't entertain subs without experience'. Commissioner Pearson agreed.

The Public Hearing for Proposed Changes to Rule 5-25 is scheduled for June 22, at 10:00am, in the Indiana Government Center South, Conference Room 22.

PUBLIC COMMENT

Carol Curran – Phoenix Data Corporation
Sandra Connor – The Answer Lady
Robert Halter – IUPUI
Kathy Carrier – Briljent – passed on commenting
Don Bauder – Esource Resources
Norma Lawrence – Crew – passed on commenting
Representative Bill Crawford – IBLC
Stacey Smith – Prairie Quest Consulting
Tony Buford – I.T. Business Corporation
Darla Williams – Attorney
Kathy Carrier - Briljent

ADJOURNMENT

Commissioner Harmon moved and Commissioner Pearson seconded that the meeting be adjourned. Motion carried unanimously. Meeting adjourned at approximately 3:00pm.

Respectfully submitted,

Paula VanDeVanter
Commission Secretary